



**NORTH CENTRAL PENNSYLVANIA REGIONAL PLANNING and DEVELOPMENT COMMISSION**

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North Central Executive Committee Conference Call Meeting  
Monday, May 13, 2019

Members via Conference Call

James Thomas	Cameron County
Matthew Quesenberry	Elk County
Jeffrey Pisarcik	Jefferson County
James Sleigh	Jefferson County
Carol Duffy	McKean County
Douglas Morley	Potter County

Staff

James Chorney  
Amy Kessler  
Cheryl DePanfilis  
Christine Perneski  
Julie Kasmierski  
Katie Geci  
Mary Lou Jessop

Staff via Conference Call

Ed Matts

This conference call was held because of lack of a quorum on the conference call held on Thursday, May 9.

Regarding email voting, Jim Chorney stated that we checked our By-laws and our solicitor, Tom Coppolo, looked at the section in the By-laws referencing electronic means to take voting for special meetings, and he felt it was vague enough that email voting would be allowable. In the future if we need to do emails, we can do that.

As there was a quorum, Chair Quesenberry called the meeting to order at 9:02 AM.

Jim mentioned everyone that was in the office and those who were on the phone.

990s

The original intent for the call was for the 990s. These have to be filed by Wednesday, May 15. Conversations were held with the auditing firm and everything is completed. They were made aware and changed the name on one of the forms. We are at the point where we need to get Executive Committee approval; and then we can sign the 8879 EO and send this to the auditors and they will electronically file the return.

With no other questions or discussion on the 990s, Matt called for a motion to approve signing the form and having the auditors file the 990s.

Doug moved to approve signing the form and having the auditors file the 990s, seconded by Carol Duffy. Motion unanimously passed.

Jim stated we will sign the form and get those out today.

#### North Central Hospitalization Renewal

Jim hoped everyone got the copy of the Plan Benefits which was requested on the conference call last Thursday.

The policy that we were looking at is identical to our current policy. It's the \$1,350 deductible for Individual and \$2,700 deductible for Family. This comes with a 6.89% increase. There were questions as far as whether we had checked CCAP and the thought process we went through.

Jim stated that last Monday we received a call from our Broker, Steve Brazinski from Anderson & Kime, saying they needed a decision to lock in the rate of 6.89% with Highmark, who is our current carrier.

Because we lost a large number of employees from last year to this year's policy, we're grandfathered in under Highmark. If we leave Highmark we would have to go out on to the Market Place. We still do have some negotiating power through our Broker. That was one of the things we looked at.

Our relationship with Highmark has been extremely good. At times when we have had issues with cash flow in the past, they have worked with us and allowed us to be upwards of two – three weeks late without any penalty, without dropping us for coverage.

Another thing we looked at was the fact that there was going to be no disruption of healthcare to the employees. The only thing we were uncertain about at that point was something that was brought up was the consent decree between Highmark and UPMC, and we were able to get that information. We reviewed this with all the hospitals within our six county region. There was only one hospital, Kane, that was covered at a different level than what our normal policy is. We did some internal research to see if that affected any of employees, and it does affect one. With Steve working with us there is something we can do to put on a special rider that would allow us to take it from the 'standard' coverage up to the 'enhanced' coverage that everybody else will be covered at their local hospitals. In essence we don't have any disruption of services to any of our employees.

We took a look at what our increase has been over past four years. On average our increase is 4.67%, which we feel is a reasonable increase over the period. We went back and looked at a quote we had received from CCAP in the 2015-16 years to look at how that compared to today's policy. We went to CCAP's webpage and found that "their average rate increase for the current DVHT member over the past eight years has been about 6.5% per year." We looked at that eight year average that we had compared to what CCAP had and we are at 1.24% increase over that same time period. We ran the numbers to check to see where we stood if we applied their rates that they quoted us back in 2015-16 applying the 6.5% to today's standards. The difference between a Single is \$106, and these are all higher on the CCAP side; Employee/Spouse would be \$255; Employee/Child would be \$287; and Family would be \$329 per

month. By applying their increase to what they quoted us we're looking at a fairly significant increase over what our current policy is at just 7%.

We have taken a look at all that. There are other items that would go along with changing to a policy. One would be our Health Savings Account because Highmark actually administers that. We would have to do away with that account at least from Highmark being the administrator and move to a new administrator of this service. If we were to go out to get quotes or bids from anyone at this particular point, Steve said Highmark would probably pull that rate off the table and couldn't guarantee that they would come back down.

We have looked through all this information and still feel that the 6.89% is the correct direction for us as an organization.

Jim hopes this answers all the questions we may have had regarding hospitalization.

Jim Thomas stated that you cannot use Highmark in UPMC Erie (Hamot).

There are UPMC hospitals you aren't going to be able to be provided service at. Highmark is a nationwide network and outside of the Pittsburgh area where there is a large concentration of UPMC hospitals, you'll have service at pretty much any other hospital. We didn't look at an UPMC product to see how it goes nationwide. Steve mentioned to us that UPMC is only in Pittsburgh, West Virginia and Ohio.

Matt asked if this has been serving the needs of the employees well, as well as North Central.

Jim said that there have been no complaints from everyone that has the policy other than they would like us to lower the deductible. The policy is well received. Typically when we look at budgeting for hospitalization we look at a 10% increase and it is well within that range that we have set aside for the budget for FY 2020.

Jim Thomas stated that in the years he has been with Cameron County, they find that it has more to do with your broker than anything and they have Steve Brazinski as well and they don't come any better. We are in good hands with Steve Brazinski.

Jim Chorney stated we have had very good luck with Steve. He really goes to bat for us.

Matt asked Jim what he said before regarding the Health Savings Account. Is that where the employee can have money taken out of their pay each time and goes into a TASC program.

Jim said the Health Savings Account is a pre-taxed deduction that comes out of the employee's pay that goes into this HSA. The difference between that and TASC is with TASC you have to spend by the end of every fiscal year or whenever your policy ends. With the HAS, that automatically gets rolled over and continually gets rolled over for as long as you build that account up. At the end of your employment whatever you have in that account, is yours to use.

The big positive to the HSA over the TASC or FSA is the fact that there is no fee to the company. The biggest impact is if we change from Highmark, who is the administrator currently of the HSA, we would have to switch everybody's HSA account, if this would even be offered.

With no other questions, Matt asked for a motion to continue to use Highmark for North Central's Health Care coverage.

Jeff moved to approve to continue to use Highmark for North Central's Health Care coverage, seconded by Doug Morley. Motion unanimously passed.

**ADJOURN**

With nothing else to be discussed the meeting adjourned at 9:20 AM.

Respectfully submitted,

Daniel Freeburg  
Secretary/Treasurer